

**PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA
COMMISSION DIRECTIVE**

ADMINISTRATIVE MATTER

☐

DATE

August 20, 2014

MOTOR CARRIER MATTER

☐

DOCKET NO.

2013-378-E

UTILITIES MATTER

☒

ORDER NO.

SUBJECT:

[DOCKET NO. 2013-378-E](#) - Application of Lockhart Power Company for Approval of a New Rate - A Hearing was Held on this Matter on August 7, 2014. This Matter is Ready for Final Disposition.

COMMISSION ACTION:

The parties have entered into a settlement agreement in this docket. Since this Commission entered Lockhart's last rate order in 2011, the Company has made three new hydro asset investments. Even though the energy generated by these facilities does not serve Lockhart's customers directly, the Company sells the energy off-system, purchases replacement power at a lower cost to serve Lockhart customers, and flows the net revenue back to customers through the Power Adjustment Clause. This ensures an immediate benefit to Lockhart's customers from the Company's investments. The settlement agreement includes the new hydro asset investments in rate base, but includes a levelized amount of recovery in rates over a five-year period.

In the application currently before us, Lockhart originally sought an increase in annual revenues of \$1,203,215, based upon a 12.5% ROE. Lockhart and the Office of Regulatory Staff subsequently entered into the settlement agreement which would give the Company an increase in net annualized revenue of \$850,310, with an allowed ROE of 12.0%. The settlement amount of additional revenue for the Company is approximately 29% less than the amount initially requested. The basic facilities charge would increase from \$7.00 to \$7.50 per month under the settlement proposal, and the average monthly power bill of a residential customer (assuming consumption of 1,000 kWh) would increase by about \$11.42. Under the settlement, the overall retail customer increase would be 4.79%.

I move that we adopt and approve the settlement agreed to by Lockhart and the ORS as just and reasonable and as being in the public interest.

PRESIDING: HallSESSION: RegularTIME: 2:00 p.m.

	MOTION	YES	NO	OTHER
ELAM	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
FLEMING	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
HALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

HAMILTON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Absent</u>	FSL
HOWARD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<u>Not Voting</u>	On Family Sick Leave the Day of the Hearing
RANDALL	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		
WHITFIELD	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>		

(SEAL)

RECORDED BY: J. Schmieding

